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*Frank H. Murkowski, Governor*

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## **NEWS RELEASE**

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### **International Exports Increase Nearly \$400 Million**

#### **Experts say numbers are at record highs and Alaska seafood exports lead the way**

(Anchorage) - International export of products from Alaska increased dramatically in the first nine months of 2004. Overall, sales have climbed \$384 million or 18% above and beyond the strong growth at this time last year.

Through the first nine months of 2004, Alaskan businesses have exported over \$2.5 billion in goods to foreign countries. With three months still to be reported in 2004, third quarter exports have already surpassed the entire year-end totals of 1998, 1999, 2000, 2001 and 2002. In 2003, exports began to improve sharply, finishing up 9% for a total of \$2.7 billion.

"I fully expect that we will break the \$3 billion mark in international exports this year," said Governor Frank Murkowski. "This has not happened in over a decade. Alaska hasn't seen these high levels of exports since farmed fish saturated the global market and we exported crude oil to Asia."

Compared to the same period last year, seafood has increased \$238 million, mineral exports are up \$107 million, energy sales climbed \$48 million and fertilizers (a natural gas byproduct) improved \$35 million. These top four categories account for 90% of all international exports. Alaska's fifth most important category, wood products, declined \$24 million.

Seafood products are still the most valuable international export commodities in Alaska. Fish sales have increased 20% in the first nine months of 2004, totaling over \$1.4 billion. This eclipses the year-end totals for the last decade and is more than two and a half times the \$560 million in seafood exported from Alaska at this time in 1998.

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"With the exception of herring, exports of all major seafood species have improved significantly, said Mark Edwards, an Economist for the State. "It appears this is mainly a result of higher prices in the market, not extra production."

"More consumers around the world are realizing the superior quality and taste of natural fresh Alaska seafood over the lower priced foreign farmed fish," according to the Governor's Director of International Trade, Margy Johnson. "This product differentiation is beginning to allow Alaska fishermen some pricing power, not only with the high-end restaurant buyers, but also in the broader seafood markets."

"Our seafood marketing efforts and the Governor's attention to international relationships are paying dividends for Alaska businesses, Johnson added."

Japan showed the largest growth in dollar terms, rising \$127 million or 15% to a total of \$951 million. Japan increased its purchase of frozen salmon, cod and roe, as well as lead, zinc and petrochemicals.

Korea remained in second place in total sales, increasing \$18 million for a total of \$485 million through three-quarters. They have increased their purchase of minerals and renewed an important coal contract that had ended in 2002.

"The attention received at the seafood tradeshow in Busan, Korea last week shows that there is a growing market for Alaska seafood. There is now an increased awareness of "well-being" among the average consumer in Korea," said Margy Johnson. "Alaska's pristine image and healthy seafood is going to pay rich dividends in the long run. The fast-growing economies of Asia present real market opportunities for Alaska's natural resources. We need to continue to maximize our share of those markets."

Sales to China increased dramatically, up \$83 million or 60% above last year, making them our new third most important trading partner. Canada increased \$45 million or 31%, but still fell to fourth place on the list.

Germany showed strong growth, climbing \$38 million into fifth place. This was part of a broader trend of seafood sales in Europe improving substantially. Most notable were double and triple digit percentage increases in exports to Spain, France, Portugal, Norway, and Finland.

Alaska is exporting to more countries around the world. Through the third quarter of 2004 we have exported seafood directly to 43 different countries. In 2002, seafood sales went to 30 countries and in 1997 the figure was only 23 countries.

"This trend highlights both the rapid growth in global trade and clearly demonstrates Alaska's ability to succeed in international markets," said Edwards.

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